



**REPRESENTATIVE  
CLYDE BALLARD**

# 2001 SESSION REVIEW

*For the people of the 12th Legislative District comprising  
Chelan, Douglas and part of Grant and Okanogan counties*



**REPRESENTATIVE  
MIKE ARMSTRONG**

## 12<sup>TH</sup> DISTRICT

September 2001

### KEEP IN TOUCH

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MIKE ARMSTRONG**

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Dear friends,

The terrible attacks on the United States this month have, unfortunately, brought a new perspective to the challenges that faced our state's legislators during the 2001 session.

We addressed the significant earthquake damage our state sustained, responded to the effects of a statewide drought and high-cost energy shortage, and worked through three special sessions regarding transportation, agriculture disaster relief and other pressing matters. However, these were small concerns compared to the tragedies that struck our national capital, New York City and rural Pennsylvania. Those who have suffered and our national leaders continue to need our prayers and support.

While the focus remains on things left unfinished, there was a great deal of progress made during the 2001 legislative session on issues important to the families of north central Washington. This newsletter provides a report on many of the items we accomplished and those that continue to require our attention. As you read it, please remember how privileged we are, as Americans, to have the ability to resolve issues and address our citizens' needs through self-governance and elected representation.

Our thanks to those of you who have taken the time to communicate with us over the last several months. We're honored to represent the citizens of the 12th District, and we always welcome your comments and questions.

Sincerely,

Clyde Ballard  
Co-Speaker of the House

Mike Armstrong  
State Representative

# 12TH DISTRICT

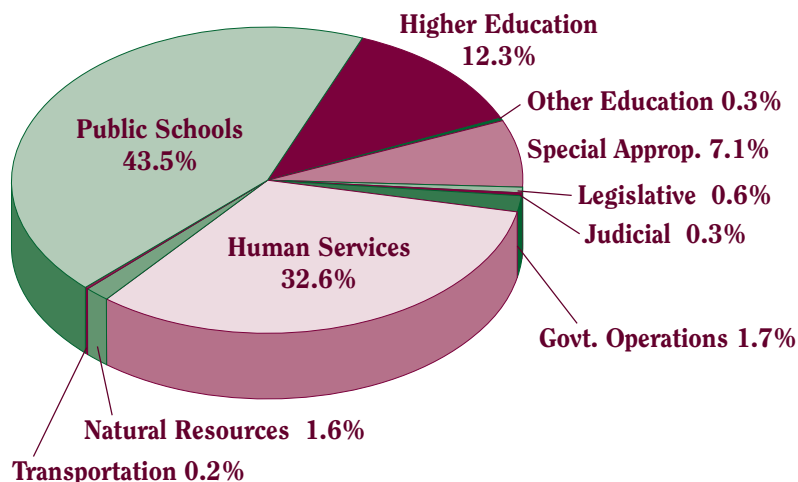
## REP. CLYDE BALLARD • REP. MIKE ARMSTRONG

### OPERATING BUDGET: A RECIPE FOR TAX HIKES

#### 2001 - 03 STATE OPERATING BUDGET

General Fund - State Total ... \$22,786,783  
Projected revenue ..... \$22,105,600

Difference ..... -\$681 million



Earlier this year, all lawmakers seemed to agree that there were tough decisions to be made in crafting the state's operating budget. The collection of tax revenues was slowing due to our cooling economy, health care and energy costs were rising substantially, teachers and state employees were demanding higher pay raises, and then we had a drought and an earthquake to deal with.

We set to work on a "reality budget," the reality being that we simply didn't have the money to meet all the demands. We were going to have to set priorities and make decisions about where to direct our limited resources, just like families must do when planning their household budgets. But in the end, the Senate ended negotiations to draft its own budget, choosing to ignore the realities that we faced. What we ended up with is a fantasy budget, one that fails to reflect any of the difficult decisions that we agreed must be made.

The budget that was adopted spends \$667 million more than expected revenue, and under very conservative assumptions, the state's general fund will be about \$680 million in the red by the next biennium. Under any foreseeable scenario it will eventually require tax increases, real budget cuts to existing services, or both.

This tax-and-spend approach does a disservice to the taxpayers, as well as those who truly need government assistance, because it puts important programs in jeopardy. Eventually lawmakers will have to raise taxes or cut programs. With this budget, those will be our only choices.

COME JOIN  
**REPRESENTATIVE  
MIKE ARMSTRONG**  
FOR AN INFORMAL  
COFFEE HOUR ON  
**FRIDAY, SEPT. 28.**

**9 a.m. – Omak  
Whistler Restaurant  
914 Koala Drive**

**11:30 a.m. – Brewster  
City Hall  
105 S. Third St.**

**1:30 p.m. – Pateros  
City Hall  
113 Lakeshore Drive**



For more information, please contact Wanda Ward at 360-786-7832

# 2001 SESSION REVIEW

## CITIZENS DESERVE A VOICE IN TRANSPORTATION TAX DECISION

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*“ We believe lawmakers  
should adopt a package  
that can win the  
support of the public  
on its merits. ”*

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Although we don't have the same traffic congestion problems as the central Puget Sound area, we understand the importance of a strong transportation system to our region. We want a responsible long-term transportation plan that protects our economy, keeps people and products moving, and includes efforts toward greater efficiency and accountability in the construction and maintenance of our highways.

That's why we worked successfully to streamline the permitting process on highway construction. Cutting the time for permitting in half could save as much as 20 percent on the cost of major road projects. We also approved reforms that will allow us to better coordinate the design and build phases of projects, to reduce unnecessary cost overruns, and allow state and local governments to purchase rights-of-way more efficiently.

But before we consider raising taxes to fund needed transportation improvements, there were other efficiency and accountability measures Republicans hoped to adopt. This is where Republican and Democrat negotiators disagreed.

Among the efficiency and accountability safeguards Republicans sought were:

- Reforms to allow competitive bidding by private contractors for highway maintenance.
- Changes to mandatory wage laws which inflate the cost of road construction for local governments, especially in rural areas.
- And perhaps most importantly, Republicans wanted voters to have the final say on any proposed new taxes. Although the governor initially promised that there would be a vote of the people on the new taxes, he eventually reneged on his pledge and sided with negotiators from his party, who refuse to allow any tax plan to go on the ballot.

The latest funding proposal included a combination of new taxes, including a 9-cent gas tax hike, a sales tax increase on car purchases, a surcharge on diesel fuel and a boost in truck and recreational vehicle fees. Its supporters said they didn't want to allow a vote of the people because they feared voters would reject it. But instead of trying to figure out a way to avoid a public vote, we believe lawmakers would be better off adopting a package that can win the support of the public on its merits.

We know the impact that this kind of tax increase could have on local families who are already struggling. Citizens want government to change the way it does business before handing over more of their hard-earned money to new taxes. We remain committed to developing a responsible transportation funding plan that is fair to taxpayers, will help our economy become stronger, and keep people and products moving.



# 12TH DISTRICT

## REP. CLYDE BALLARD • REP. MIKE ARMSTRONG

REP. ARMSTRONG, SHOWN TALKING WITH A FELLOW HOUSE TRANSPORTATION COMMITTEE MEMBER, PUSHED FOR REFORMS THAT WILL GIVE TAXPAYERS BETTER VALUE ON ROAD PROJECTS.



### WATER REFORM IS REALITY – FINALLY

Common-sense reforms to our state's water policy were long overdue. The delays for acquiring or changing a water right had become staggering, with DOE accumulating a backlog of more than 7,000 water rights permits. The extended drought and regional power crisis only made matters worse.

Entering the 2001 session, protecting water rights was high on our list of priorities. We adopted a measure some call the most important water bill in many years.

The measure is expected to reduce the permit backlog and expedite the water rights applications process by creating two lines, one for new rights and the other for changes or transfers. The bill also clarifies the law to allow local water conservancy boards to do the legwork on water right changes and transfers. Local people can now make decisions about local water use.

### LAWMAKERS PERSUADE ECOLOGY TO HOLD OFF ON WATER RESTRICTIONS

In the midst of serious drought conditions, the Department of Ecology this spring notified more than 400 Washington water rights holders that their water would be shut off, affecting many whose livelihood depends on water. Fortunately, Republicans successfully urged DOE to find alternative means to deal with the drought emergency. We also were successful in convincing DOE not to impose costly regulations on emergency water wells that many farmers are relying on during this dry summer.

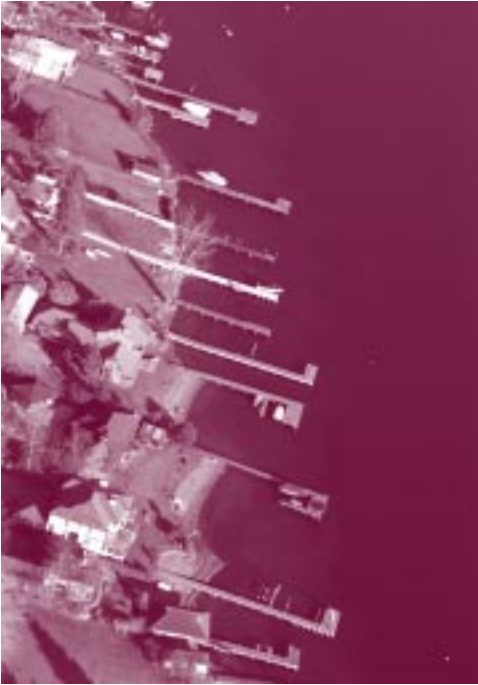
### PERMANENT FUNDING SOURCE APPROVED FOR FAIRS

Two years ago, when the governor signed legislation cutting the parimutuel taxes at horse-racing tracks, it created a funding crunch for county fairs which had received part of that revenue. Since then, we've worked for an agreement that would provide a permanent funding source for our state's 72 youth fairs and agricultural shows. This year the Legislature agreed to provide ongoing funding of \$2 million annually for our fairs.



# 2001 SESSION REVIEW

## LAWMAKERS LOOK TO REIN IN AGENCY REGULATIONS



Attempts by state agencies to adopt new onerous rules was of great concern to many Republican lawmakers. We fought to postpone rules that would limit land use along privately owned shorelines and impose expensive new ergonomics requirements on farmers and other businesses.

We were unable to adopt legislation to stop these rules from taking effect, but put agencies like the Department of Ecology and Department of Labor and Industries on notice that they should tread lightly when imposing new regulations on Washington citizens. At the same time, we were able to block attempts this session by some urban lawmakers to codify these rules through legislation.

Then in August, we received an unexpected surprise when the Shorelines Hearings Board voted to reject changes to the Shoreline Management Act proposed by DOE.

DOE's new rules would result in the greatest land grab by state government ever, without compensation to landowners or local government. Fortunately, the hearings board agreed with arguments made by Republican lawmakers for months – that the agency overstepped its authority by attempting to impose the rules without legislative approval and did not follow the appropriate procedures. The rules were deemed invalid by the board on several grounds and remanded back to DOE.

We have asked Governor Locke to abide by the board's decision and abandon efforts to implement the new shoreline rules without legislative approval. It is our hope the governor and DOE will recognize that the process for developing the rules was flawed and elect to leave the current shoreline guidelines unchanged.

**REP. BALLARD ADDRESSED A RALLY  
SPONSORED BY CITIZENS FOR A SOUND  
ECONOMY, AT WHICH TIME HOUSE  
REPUBLICANS PLEDGED UNANIMOUS  
SUPPORT FOR THE BUSH TAX-CUT PLAN.**



# 2001 SESSION REVIEW

## AGRICULTURE RELIEF PLAN CONSIDERED

**LONG-TERM  
POSITIONING  
FAVORED OVER  
SHORT-TERM  
BAILOUT**



The governor appeared to take a personal interest in the plight of local farmers following the hailstorms that swept through parts of Eastern Washington. Of course many lawmakers had been working to adopt an agricultural relief package since January, recognizing that the problems our farmers face go far beyond one damaging storm.

The Legislature approved a tax relief plan this session, providing \$7.7 million in tax breaks to help our state's farmers. It includes these provisions:

- **Exemptions from sales and use taxes for FDA or USDA approved animal pharmaceuticals.** Currently, livestock farmers pay on average \$2,800 a year in taxes on the pharmaceutical products they buy.
- **Exemptions from the state property tax for machinery and equipment** owned by a farmer and used exclusively to grow agricultural products. The exemption would first apply for 2003 property taxes.
- **A business and occupation tax-rate reduction** for the manufacturers of dairy products, and **an exemption from the retail sale and use taxes** for heating fuel and bedding materials for chicken farms.

After the June storms, we worked with other rural legislators to craft agriculture relief legislation. Despite our best efforts, however, the House and Senate didn't vote on the relief package during July's special session. The governor later authorized about \$750,000 in emergency relief funds for farm worker families affected by the storm. This will certainly be helpful, but we want the governor and other lawmakers to know that a temporary bailout won't solve the real problems that farmers face.

True relief must address the real issues that have placed our agricultural economy at risk, including over-regulation, low commodity prices, and disadvantages for domestic growers trying to compete in the global marketplace.

2001  
SESSION REVIEW

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